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FOR IMMEDIATE RELEASE

**PSC: COMPETITION FOR TELEPHONE CUSTOMERS
GROWS IN NEBRASKA**

LINCOLN – Competition for telephone customers is a growing industry in the state, the Nebraska Public Service Commission reported at the end of September in its annual telecommunications report to the Nebraska Legislature.

Wireless and competitive local wireline providers reported growth in their respective shares of the telecommunications market partially at the expense of incumbent local carriers such as Qwest and Alltel, the state's two largest wireline local companies.

During 2004, Qwest and Alltel lost 2.2 percent and 0.8 percent, respectively, of the total Nebraska wireline telecommunications market. Meanwhile, competitive local carriers, fueled primarily by the metropolitan Omaha market, saw their share of the market grow. Cox Communications, for example, now holds a 12.6 percent share of the Nebraska market, a growth of 1.4 percent from the previous year.

Wireless companies have continued to make significant progress towards increasing the total number of lines served over the last several years, growing from 800,604 lines in 2003 to 872,798 lines this year, an annual growth rate of nine percent.

Public Service Commission Chairman, Jerry Vap, of McCook, in an introduction to the report, noted that "high activity" best described the work of the Commission in relation to the telecommunications industry over the past year. "In addition to a variety of state issues, the Commission has also actively participated in the national level, frequently in leadership roles, on matters vital to the interests of Nebraska citizens and those of the nation."

Vap cited the Commission's efforts to extend the life of the 402 area code, which has provided the opportunity for the state to influence national decisions on related issues such as number conservation, number pooling, and rate center consolidation.

The Fifth District Commissioner also said the state's new telehealth network which benefits from the Nebraska Universal Service Fund, is linking medical providers from one end of the state to the other.

Other work of the Commission includes expanding the Nebraska Relay Service through a voice recognition system that reduces the risk of error by human translators and exploring the opportunities for improving distance learning networks in the state. "The regulatory service provided by the Commission with regard to the telecommunications industry takes the Commission in several directions as well as far beyond the state's borders," Vap said. "In the end, however, the benefit is to the people of Nebraska who have a vital stake in the telecommunications industry."

The some-107 page report was electronically sent to the Nebraska Legislature on September 30. The report is directly available to the public on the Commission's website using the following link: www.psc.state.ne.us/home/NPSC/communication/AnnualReport2005.pdf.

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